



Special Attention of:

Secretary's Representatives, State/Area
Coordinators, Directors of Public Housing,
Executive Directors of Public Housing
Authorities

Notice PIH 2001-12 (HA)

Issued: March 30, 2001

Expires: March 31, 2002

Cross References:

Subject: Reprogramming of Public Housing Drug Elimination Program (PHDEP) Special Initiative Funds and Recapturing of Gun Buy Back Matching Funds

1. PURPOSE:

This notice provides instructions and clarification of how to handle unexpended PHDEP Special Initiative and Gun Buyback Matching funds.

2. BACKGROUND:

Notice of Funding Availability (NOFA) for the Public Housing Drug Elimination Program Gun Buyback Violence Reduction Initiative was issued in the Federal Register on November 3, 1999. The NOFA affirmed that gun buyback initiatives are eligible activities under the public housing drug elimination program and provided funding information and program guidelines for gun buyback initiatives. The NOFA stated that Public Housing Agencies (PHAs) may reprogram a portion of their FY 1999 PHDEP grant dollars in order to devote such resources to gun buyback violence reduction initiatives. The Department through the NOFA made an additional \$4.5 million available for gun buyback initiatives to PHAs who reprogrammed PHDEP funds for gun buyback violence reduction initiatives. This \$4.5 million was to be awarded on a basis of \$43 for every \$100 of FY 1999 PHDEP funds reprogrammed for gun buyback violence reduction initiatives. A Notice of Amendment and Republication of the NOFA for the PHDEP Gun Buyback Violence Reduction Initiative was issued in the Federal Register on February 3, 2000. This amendment made clear that while HUD's matching funds are to be drawn only from the FY 1999 PHDEP set-aside, PHA's expenditures are not restricted to FY 1999 grant funds, but may come from PHDEP grant funds regardless of fiscal year.

PHDEP funds reprogrammed for the Gun Buyback initiative are included in the Line of Credit Control System (LOCCS) under Budget Line Item (BLI) # 9115 - Special Initiative. The additional 43% awarded out of the \$4.5 million funding is included in LOCCS under BLI #9116 - Gun Buyback Matching funds.

POLICY :

Gun Buyback Matching funds not expended by PHAs by the termination date of their Grant Agreement must be recaptured by HUD. Gun Buyback Matching funds must be expended only for those eligible activities included in the NOFAs issued in the Federal Register of November 3, 1999

and February 3, 2000, and must be expended and disbursed at a ratio of \$43 for every \$100 of reprogrammed PHDEP funds disbursed.

3. GUIDANCE:

It has come to the Department's attention that some grantees have been unclear as to how to handle transactions in LOCCS for BLIs #9115 and #9116. This Notice provides guidance on how to handle such transactions. For those PHAs that will not disburse the total amount allocated to the Gun Buyback program, LOCCS will indicate that there is a balance in either BLI 9115 or BLI 9116. The amounts disbursed and the amounts shown as balance must have the same percentage relationship as the original funding of \$100 for BLI 9115 - Special Initiative and \$43 for BLI 9116 - Gun Buyback Matching funds. Where that is not the case, a redistribution will be necessary.

The redistributed balance of BLI 9116 - Gun Buyback Matching funds, as indicated above, cannot be reprogrammed for other PHDEP activities since the funds are not PHDEP grant funds. This amount must be recaptured. Any balance remaining in BLI 9115 - Special Initiative can be reprogrammed for other PHDEP activities if there is a valid request from the PHA and review and approval by the Field Office. Copy of the request must also be sent to HUD Headquarters.

Adjustments to Disbursements for Redistribution of BLIs 9115 and 9116 can only be done by the Fort Worth Accounting staff. Accordingly, the Field Office staff must do the calculation and instruct Fort Worth to enter the amounts in LOCCS. The net change of the disbursements for the BLIs 9115 and 9116 should be zero. Examples of entries to redistribute are listed below:

Case A		Old	Disbursements	New	Disbursements	
BLI	Budget	Disbursements	Balance	Redistribution	Balance	Adjust. Entries
9115	10,000	10,000	0	6,993 *	3,007	(3,007)
9116	4,300	0	4,300	3,007 **	1,293	3,007
Subtotal	14,300	10,000 ***	4,300	10,000	4,300	0

* Divide total disbursements *** by 143 times 100 $(10,000/143) \times 100 = 6,993$

** Divide total disbursements *** by 143 times 43 $(10,000/143) \times 43 = 3,007$

Case B						
9115	5,000	2,850	2,150	3,497	1,503	647
9116	2,150	2,150	0	1,503	647	(647)
Subtotal	7,150	5,000	2,150	5,000	2,150	0

A request for redistribution must be initiated by the grantee and submitted to the Field Office monitoring the grant, with copy to HUD Headquarters, on HUD Form 50080 - Payment Voucher.

FOR FURTHER INFORMATION AND TECHNICAL ASSISTANCE:

If you have any questions please contact Marvin Klepper at (202) 708-0614 ext.4229.

/s/

Gloria J. Cousar
Acting General Deputy Assistant
Secretary for Public and Indian Housing